

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

In Re: : Chapter 11
MAJESTIC HILLS, LLC, : Case No.: 20-21595-GLT
Debtor. :

VERIFIED STATEMENT

I, Kathleen A. Gallagher, pursuant to Federal Rule of Bankruptcy Procedure 2019, declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that:

1. I am an attorney with the law firm of Porter Wright Morris & Arthur LLP (“PWMA”) with offices at 6 PPG Place, Third Floor, Pittsburgh, PA 15222.

2. This verified statement is filed in accordance with Rule 2019 of the Bankruptcy Rules of Procedure.

3. PWMA has been retained as counsel for NVR, Inc. d/b/a Ryan Homes (“NVR”) and the North Strabane Township (the “Township,” and together with NVR, collectively the “Creditors”).

4. The address for NVR is 11700 Plaza America Drive, Suite 500, Reston, VA 20190.

5. The address for the Township is 1929 Route 519, Canonsburg, PA 15317.

6. Pursuant to that certain Lot Purchase Agreement (“LPA”) entered into by and between NVR and Debtor on December 23, 2004, NVR contracted with Debtor to develop and sell to NVR certain residential building lots (the “Property”) located in the Township. The LPA required, inter alia, that the Lots meet certain specifications, including but not limited to precise specifications to make the lots within the Property buildable. The LPA further required that Debtor comply with all development requirements of the Township.

7. As the result of the conduct of Debtor and certain non-debtors, a catastrophic earth movement occurred at the Property in which homes were destroyed, their owners displaced, and a community was threatened. The Township has had to expend millions of dollars to address the infrastructure that was damaged by the earth movement. NVR has also incurred damages in excess of \$1.75 million dollars.

8. Multiple parties have filed claims against one another arising out the conduct of Debtor at the Property as directed by JND Properties, Inc., Joseph DeNardo, Shari DeNardo, and Parkridge Development, LLC (the “Non-Debtor Control Group”) and the resulting millions of dollars in damages. PWMA represents NVR in the United States District Court for the Western District of Pennsylvania, case styled *NVR, Inc. d/b/a Ryan Homes v. Majestic Hills, LLC*, civil action number 2:18-cv-1335 (the “District Court Litigation”). Debtor has attempted to remove the District Court Litigation to this Court.

9. PWMA represents the Township in claims that are pending against Debtor, the Non-Debtor Control Group, Pennsylvania Soil & Rock Inc., its employee Mr. Mark Brashear, Alton Industries, Inc., and engineering company Morris Knowles & Associates, Inc., in the Court of Common Pleas of Washington County. The Township and the Township’s Municipal Authority have incurred the cost of repairing the hillside, the roads, and utilities within the Property—spending millions of dollars in taxpayer money (the “State Court Litigation”). Debtor has removed the State Court Litigation to this Court.

10. The Creditors hold claims in varying amounts relating to the catastrophic earth movement that occurred at the Property.

11. PWMA has been retained directly by each of the Creditors. PWMA has filed a joint notice of appearance on behalf of NVR and the Township. The Creditors are each fully

advised of PWMA's concurrent representation and have each agreed to such concurrent representation.

12. PWMA does not hold any claims against or interest in Debtor.

13. Nothing contained in this Verified Statement is intended or shall be construed to constitute (i) a waiver or release of the rights of the Creditors to have any final order entered by, or other exercise of the judicial power of the United States performed by, an Article III court; (ii) a waiver or release of the rights of the Creditors to have any and all final orders in any and all non-core matters entered only after de novo review by a United States District Judge; (iii) consent to the jurisdiction of the Court over any matter; (iv) an election of remedy; (v) a waiver or release of any rights the Creditors may have to a jury trial; (vi) a waiver or release of the right to move to withdraw the reference with respect to any matter or proceeding that may be commenced in the Chapter 11 case against or otherwise involving the Creditors; or (vii) a waiver or release of any other rights, claims, actions, defenses, setoffs or recoupments to which the Creditors may be entitled, in law or in equity, under any agreement or otherwise, with all of which rights, claims, actions, defenses, setoffs or recoupments being expressly reserved.

14. PWMA reserves the right to amend or supplement this Verified Statement in accordance with the requirements of Bankruptcy Rule 2019.

Dated: June 8, 2020

/s/ Kathleen A. Gallagher
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*Counsel for NVR, Inc. d/b/a Ryan Homes
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